

Montgomery County, Maryland Webinar on Carryout Bag Law

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Call in Number: 559-546-1200

Meeting ID: 975-494-029



Montgomery County, Maryland Webinar on Carryout Bag Law

- Press * 6 to MUTE/UNMUTE your phone line
- Dedicated question time after SLIDE 16
- Slide # is on top left
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Carryout Bag Law: Effective January 1, 2012

A 5-cent charge on all carryout plastic and paper bags from retail establishments in the County (includes all municipalities)

*all grocery stores, food vendors,
convenience stores,
liquor stores,
hardware, department,
drug stores, and other sellers*



Retail Establishments may continue with existing supply of bags;

Must charge 5-cents for each bag and retain 1-cent of the charge



Litter: A Public Cost

- County spends \$3M to reduce and clean up litter annually
- Bags found in litter in rivers and streams and neighborhoods
- Public health nuisance

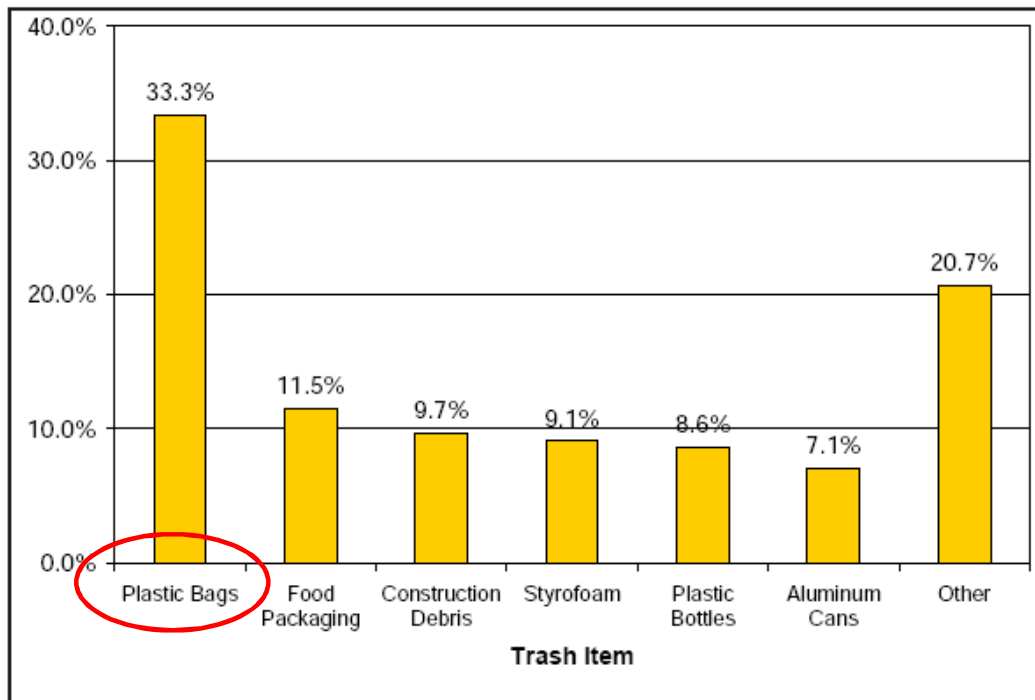


Litter: A Public Cost

Plastic bags: **most common trash item** in neighborhood streams.

(Metropolitan Washington Council of Governments, Anacostia Trash TMDL Baseline Study 2009)

Figure 19 - Stream Summary - Top Six Trash Items Percent of Total



Other Jurisdictions Addressing Disposable Bag Litter Problem

- Washington DC (*bag fee*)
- Toronto, Canada (*bag fee*)
- Brownsville, TX (*plastic bag ban*)
- Los Angeles County, Marin County, San Jose, Santa Monica, Long Beach, CA (*plastic bag ban and fee on paper bags*)
- Maui and Kauai Counties, HI (*plastic bag ban*)
- Portland, OR (*plastic bag ban*)
- Bill introduced in U.S. CONGRESS to “Reduce use of disposable paper and plastic bags” (HR1298). Stayed in Committee in 2010.
- Evanston MI, Austin TX, and multiple jurisdictions (*in-progress Disposable Bag Laws or Bans*)

Tax vs. Ban

- **Ban would result in high cost to retailers** (due to cost of alternatives).
- **Protects consumer choice**: Customers who bring their own bags or refuse bags do not pay the tax.
- **Shifts the burden of clean-up costs** from all taxpayers (\$3 million/year in 2009) year to consumers (who may avoid the 5-cent tax by bringing their own bags)

Is a Carryout Bag Tax Effective ?

- Washington DC businesses report a reduction in demand for bags by ~50 percent
- Businesses in Washington DC reported less litter around the store. ~65 percent reduction in the number of plastic bags found in river clean ups
- Accepted public behavior in local region: > 60 percent of shoppers already bring their own shopping bags or are aware of the benefits.
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- 70 percent of businesses in Washington DC say no fiscal impact or positive fiscal impact to their bottom line



Washington DC implemented its 5¢ Bag Law in 2010

Retailer Benefits from Carryout Bag Law

- Reusable Bags: marketing/branding opportunity
- Highlights sustainability or green practices to attract customers
- Retain 1-cent to cover overhead costs of bags
- Reduce volume of bags purchased



How the 5¢ Bag Tax is used

- Revenues deposited into the County's **Water Quality Protection Charge** fund*:
 - Improve stormwater management in the county
 - Implement **trash-control requirements in the County's MS4 Stormwater Permit**
 - Protect water quality in County streams and rivers
 - Distribute free, reusable carryout bags to low-income populations
 - Fund cleanup programs

*After administrative costs



Bags Excluded from the Tax

- Pharmacy bags for carrying prescription drugs
- Bag used to wrap a perishable item or carry bulk items within a store
- Newspaper bag, bag intended for initial use as garbage/petwaste/yardwaste bag (functionally necessary bags)
- Garment covers in department stores

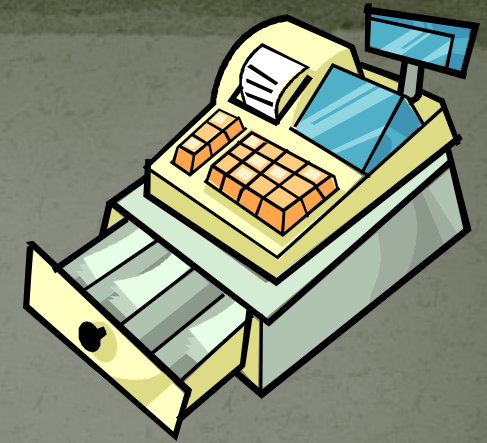


Bags Excluded from the Tax

- Bags from a temporary/seasonal stand (e.g. farmer's market stands)
- A **paper bag** used as a take-away bag from a restaurant/deli/fast-food store



Cash Register Requirements

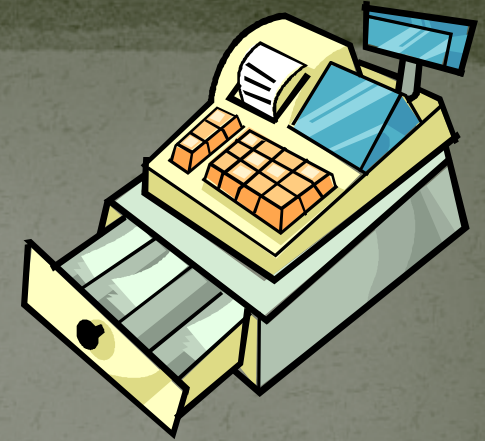


- Federal, State, Local government customers are exempt from the Bag Tax
- Must charge customers for carryout bags
- May not provide a store credit to cover the bag tax amount

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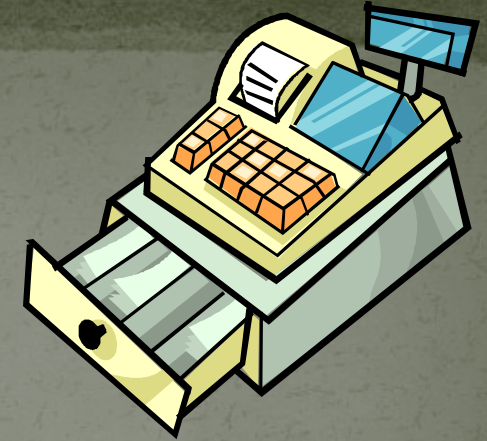
Cash Register Requirements



- **Credit** for bags that customers voluntarily bring to carry their purchases **is not required**
- There is no provision in the Law for a credit for bags **returned** with purchases



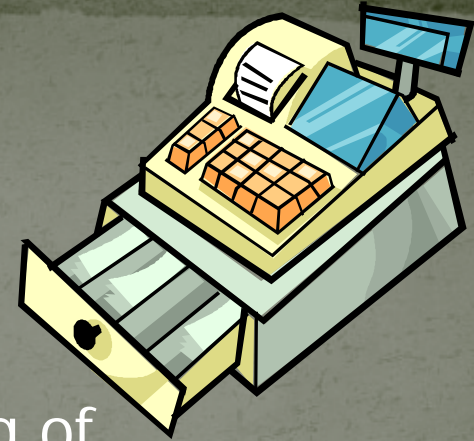
Cash Register Requirements



- The description that is recommended to display on the store receipt is **MC Bag Tax** or **Carryout Bag Tax** or **Bag Tax**
- Customers' transaction receipts must show the number of carryout bags and the total amount levied at 5 cents per bag



Cash Register Requirements



CASHIER PREPAREDNESS

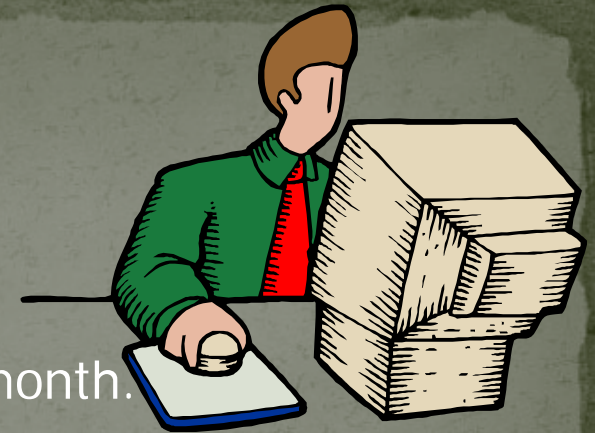
Encourage ongoing Training and Retraining of Cashiers.

Talking points:

- "Will you need a bag?"
- "This is an anti-litter Law"
- "This law is effective in ALL retail stores in the County."
- "Please bring bags with you and avoid the charge."



Payment Requirements



- Payment due on or before the **25th** day of each month.
- Must remit the full amount of the tax collected during the previous month, at a rate of 4-cents per bag.
- On an **ongoing basis**, retailers may pay before, but are **required** to pay after their cumulative revenue from bags is **over \$100** (at least 2,500 bags have been paid for by customers).
- After the \$100 payment, retailers may **wait to pay until \$100 bag tax** is collected, and so on.
- A secure Web site is being set up for submission of the tax. Elements required for tax payment are the total number of bags, and retailers' tax identity information.

Public Outreach on Carryout Bag Law

- Intensive information campaign to retailers
- Retailers already developing signage for stores
- Toolkit of publicity materials in electronic format
- General advertizing to all residents
- Reusable Bag Distribution:
 - Reusable bags for seniors and economically-vulnerable residents

Questions/Bag Law Updates

Please send an e-mail
Subject line: "Bag Law" to:
askdep@montgomerycountymd.gov

Contact Us:
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Montgomery County, Maryland

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